

- ✘ NAME:FADEYI ENIIYIOLAOLUWA DAVID
- ✘ COLLEGE: LAW
- ✘ MATRIC NO: 18/LAW01/102
- ✘ COURSE TITLE: INTRODUCTION TO ENTERPRENEURSHIP

Assignment: Using a company or business of your choice, write a good and customized business plan, covering all relevant aspects and analyses.

A business plan for the production of diary and the distribution of milk at Fadeyi diary farm, Port Harcourt, Rivers state by fadeagrobusinesscenturies and consultancy confidentiality agreement

Confidentiality clause

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name:

Date:

TABLE OF CONTENT

- 1) Executive Summary/ Brief Description of the Project
- 2) Sponsorship, Management and Technical Assistance
- 3) Market and Sales
- 4).Technical Feasibility, Resources and Environment
- 5) Government Support and Regulation
- 6) Timelines of Projects
- 7) Estimated Project Cost and Revenue
- 8) Funding Mechanism

9) Conclusion

EXECUTIVESUMMARY

FadeyiDairy Farms is a dairy farm to be located in Port Harcourt. Specialized in the production of both processed and unprocessed dairy products to both individuals and commercial entities who are mostly players in the dairy products value chain sector, Stevens Dairy farms will be involved in related services that include the provision of livestock health services, plus the shearing of livestock.

Only the best will be selected to join our team of dedicated and committed workforce. These will be made up of individuals possessing the requisite qualification plus experience in the field of dairy farming. The products and services to be offered by FadeyiDairy Farms will include the production of dairy products such as cheese and yoghurt of different flavors and also the rearing of dairy cattle for our farms and for sale to other dairy farms.

Other services will include the provision of consultancy and advisory services to our clients on dairy farm related issues.

Our vision at FadeyiDairy Farms is to build a successful brand name through the provision of superior services tailored to the client's satisfaction. Within our first 3 years, we have plans of expanding our operations to spread across the Federal Republic of Nigeria, with our sights set on competing favourably with other well-known dairy brands

Sponsorship

The project is proudly sponsored by Fadeyi Iyiola a successful business owner of FadeyiGroup and master in Business management. Our vision at Fadeyi Dairy Farms is to build a successful brand name through the provision of superior services tailored to the client's satisfaction. Within our first 3 years, we have plans of expanding our operations to spread across the Republic of Nigeria, with our sights set on competing favourably with other well-known dairy brands. Dealing in a very competing market, we intend of gaining a fair share of the market through the provision of exceptional services that will stand us out of our competition. Within the first 5 years from the commencement of business operations, we plan on entering into the top 5 dairy brands in Nigeria.

Management

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Technical Assistance

Experts with several years of experience and the required skill will be hired to head the various arms/department of our dairy farm. This is aimed at significantly increasing productivity and enhanced penetration into the market.

Our work conditions will be such that will enhance productivity. Also, adequate attention is given to the welfare of our workforce through an attractive remuneration package that in will increase motivation. We will be adopting several publicity and advert strategies. Some of these include the placement of adverts in both print and electronic media, the building of a website that will contain all the services offered by us, and also exploiting the word of mouth marketing which will be solely driven by our satisfied clients.

Market and Sales

A close study of the dairy farming industry shows that most dairy farms that has the capacity do not just concentrate in the commercial production of raw milk for households and businesses that are involved in the production of fluid milk products, cheese, dry, condensed and evaporated milk, creamery butter and yogurt et al.

They go as far as establishing a standard milk and beef processing company in line with their core business. It is a means of maximizing profits and increasing source of revenue generation.

Despite the fact that dairy farm has been in existence since time immemorial, that does not in any way make the industry to be over saturated; dairy farmers are exploring new technology to continue to improve raw milk production processes and also meat and milk preservation and packaging process. The fact that there is always a ready market for raw milk and other dairy products makes the business ever green.

Lastly, one of the notable trends in dairy farms industry is that with the recent advancement in technology dairy farmers can now improve the various breeds of the animals they are breeding so as to increase the quantity of milk they produce per time.

As a matter of fact, it is now easier for dairy farmers to comfortably import the kind of breed of domestic animal they want to breed from any country of their choice and also advancement in technology has made it easier to cross – breed different animal.

Our Target Market

As expected, the target market of those who are the end consumer of dairy farms produce and also those who benefits from the business value chain of the agriculture industry is all encompassing; it is far – reaching. Every household consumes produce from livestock farms be it meat, milk, and the skin (leather) used for bags, belts and shoes production et al.

So also a large chunk of manufacturing companies depends on dairy farms for some of their raw materials. In essence a dairy farmer should be able to sell his or her raw milk and other dairy products to as many people as possible.

We will ensure that we position our business to attract consumers of raw milk and other dairy products not just in the United States of America alone but also other parts of the world

which is why we will be exporting some of our dairy farm produce either in raw form or processed form to other countries of the world.

Our Competitive Advantage

From experience, entrepreneurs are known to flock towards an industry that is known to generate consistent income which is why there are more dairy farms in the United States of America and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming / dairy farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Fadeyi Dairy Farms, LLC is fully aware that there are competitions when it comes to selling raw milk and other dairy products all over the globe, which is why we decided to carry out thorough market research and feasibility studies so as to know how to take advantage of the available market in the United States and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable dairy farming processes that can help us sell our raw milk and other dairy products at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard dairy farms that will be involved in diverse areas such as animal rearing and meat and milk processing and packaging plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (startups dairy farms companies in the Nigeria) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

SALES AND MARKETING STRATEGY

It is a known fact that the reason why some dairy farms hardly make good profits is their inability to sell off their raw milk and other dairy products to a larger market. In view of that, we decided to set up a standard meat and milk processing and packing plant to help us maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the dairy farms industry who are likely to refer become our customers. In summary, Fadeyi Dairy Farms, LLC will adopt the following strategies in marketing our cattle rearing produce;

Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the dairy farms industry for their raw materials, hotels and restaurants and agriculture produce merchant et al.

Advertise our business in agro – allied and food related magazines and websites

List our dairy farms on yellow pages ads (local directories)
Attend related agriculture and food expos, seminars, and business fairs et al
Leverage on the internet to promote our business
Engage in direct marketing
Encourage the use of word of mouth marketing (referrals)
Sources of Income

Fadeyi Dairy Farms, LLC is in the dairy farms industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of raw milk and other dairy products to generate income for the business. Below are the sources we intend exploring to generate income for Fadeyi Dairy Farms, LLC;

Milking dairy cattle
Dairy support services
Dairy cattle farming
Farrier services
Sale and export of cotton wool and other dairy products
Sale of Cattle and milk
Sale of processed meat (beef) / can – beef (Processed Dairy foods, and can beef et al)
Shearing services
Dairy farming related consultancy and advisory services
Sales Forecast

From the survey conducted, we were able to discover that the sales generated by a dairy farm depends on the size and capacity of the dairy farms and of course the network of the business.

We have perfected our sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the dairy farms industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of dairy farms business that we run.

Below are the projections that we were able to come up with for the first three years of running Fadeyi Dairy Farms, LLC;

First Fiscal Year 1000000naira
Second Fiscal Year; 2000000naira
Third Fiscal Year:- 3000000naira

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavorable government policies.

Our Pricing Strategy

We are fully aware that some of the key factors that will help us sell our raw milk and other dairy farm products at the right price that will guarantee that us making profits is dependent on our strategy while some of the factors are beyond our control.

For example, if the climatic condition is unfavorable and if there is natural disaster in the location where we have our dairy farm, then it will directly affect the prices of our raw milk and other dairy farm products.

The truth is that, if we want to get the right pricing structure for our raw milk and other dairy products, then we must ensure that we choose a good location for our dairy farms, choose a good breed that will guarantee steady and multiple breeding (prolific breeds), and cut the cost of running our farm to the barest minimum

And of course try as much as possible to attract buyer to our farm as against taking our raw milk and other dairy products to the market to source for buyers; with this, we would have successfully eliminate the cost of transporting the goods to the market and other logistics that can impact on our operational cost.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our raw milk and other dairy products is to sell them at competitive prices hence we will do all we can to ensure that the prices of our produce are going to be what other dairy farms and even commercial livestock farmers who are into the sale of raw milk would look towards beating.

One thing is certain, the nature of dairy farms business we are involved in makes it possible for farmers to place prices for their raw milk and other dairy products based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss. The easier you sell off your raw milk and other dairy products the better for your business.

Technical Feasibility

Dairy production is all-inclusive activity, related to animal care, reproduction, feeding, and management. It is defined as all those aspects and activities relating to rising of dairy animals during their various phases of life to get wholesome milk. Before making the decision, whether to invest in the dairy and livestock farming or not, one should carefully analyze the associated risk factors. A SWOT analysis can help in analyzing these factors, which can play important role in making the decision.

The technology and methods to be used for this farm is the best available in Nigeria...

We purchase local and imported buffaloes and cows to produce best milk productivity

This is much higher than small farm. This farm possess some of the finest dairy breed like Niilli, Ravi and Khudi breeds and also Rend Sindhi, Sahiwal, Tharparker breed of cattle.

We also introduce finest breed of cows at our farm. We also increase there milk productivity through modern feeding practices with wheat and rich straw, purchased concentrates, like cottonseed, cotton seedcake, green feeds such as berseem, sorghum and maize, and other agriculture byproduct. We also take full advantage for available breeding practices, artificial insemination, to improve our herd quality. In future we are interested to install our own pasteurized or processing equipments.

Government support and regulation

The project conforms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

Project Timeline

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field. Below are the sales projections that we were able to come up with for the first three years of operations

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and the arrival of a competitor in same location as ours within the period stated above. Please note that the above projection might be lower and at the same time it might be higher.

Estimated Project cost and revenue

Our revenue source will come partly from the sale of all the products on offer. These will include unprocessed and processed milk. Our other sources of income will come from the advisory and consultancy services provided to other dairy farmers.

We will aim at increasing our revenue generation, which will include increased value addition, leading to increased processing of our products for both domestic consumption and for export.

The farm will consist of different type of

Machines like feed making, green feed Cutters, Milk Chiller and other low cost

Durables like utensils for animal feeding, calf feeders, tokas, and feed grinders

And feed mixing machines, one tube well for water supply.

Animal Feed & Stock

The raw material used in feed is produce

In open land of farm. Now we start to dump the silage in bunkers for 180 days.

After dumping the silage for 6 months its able to get the maximum protein and

Benefit from that stuff. For that dumping and stock the silage we need the Agri

Finance Non Development loan.

Utilities:

All required utilities are

Available at farm like electricity, water, etc. the all water requirement well

Meet from our own wells.

Transport &

Communication:

The milk handling van is

Available at farm with sufficient milk storage and carrying capacity.

MAN POWER REQUIREMENTS:-

Semi skilled workers are needed to look after the dairy Farm work. Thirteen people should be hired to manage the operations of the Automated shed.

Funding Mechanism

Government Agricultural finance policy should be reviewed toward increased funding of small and medium scale dairy enterprises through micro-credit schemes and programmers. In practice this may require a downward review of interest rates on credit facilities to dairy farmers. Also, government Agricultural Extension programs should be intensified, particularly, in the area of training of producers on modern commercial dairy farming practices, made possible by increased funding of research and extension. Relatedly, Women-In-Agriculture (WIA) program should be revitalized to assist female dairy producers to be more fully integrated along dairy development value chain owing to the potentially significant role of women in dairy development. It is hoped that with increased finance and knowledge through training, farmers may likely upgrade or acquire new technology, adopting ranching and intensive cattle production system which are capital intensive but improve returns on investment. Government subsidy program should cover also, the costs of veterinary services, and of drugs and vaccines. This should reduce animal diseases, mortality rates and involuntary culling which adversely affects profits.

Conclusion

The project is technically feasible and commercially viable. It is therefore recommended for funding.